

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 9, 2006

Matthew Seddon, Cultural Resources Coordinator
DCED - State History Division
300 Rio Grande
Salt Lake City, Utah 84111

Re: SHPO Concurrence for Minor Exploration, Canyon Fuel Fee Coal Lease
Woods Canyon, Task No. 2592, Canyon Fuel Company, LLC, Skyline,
C0070005

Dear Mr. Seddon:

The Division received an amendment that proposes drilling one exploration hole at the Skyline Mine. The Division determined that the area of potential effect for this project is the E06 drill hole site.

This proposed project would be located in Carbon County, Utah, (Scofield 7.5 Minute Quadrangle map). The legal description is Township 12 South and Range 6 East Section 36.

The following provides pertinent information that may be useful during the consultation process:

Class I and III survey (Billat, July 2006)

- ❖ Areas surveyed: E06: drill site (see report map).
- ❖ Survey results showed no historic resources observed.

The Permittee would transport wireline drill rigs by helicopter and drill one 3" diameter hole. The disturbed acreage for this drill hole would be approximately 0.003 acres. The elevation of the proposed project sites is approximately 8,500-9500', which includes mostly steep slopes.

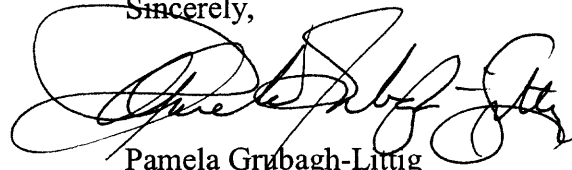
The Division makes the determination that the E06 drill project would have "no effect" to cultural resources because there were no resources observed, there is little potential of discovering cultural resources within the project area, and the project would impact a very small area.

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The Division requests concurrence from the SHPO with our determination. A final decision concerning the proposed project will come after the Division receives a response from SHPO.

We would appreciate your response so we may proceed with the review process. If you have any questions about this project, please call me at (801) 538-5286, or Jerriann Ernsten at (801) 538-5214.

Sincerely,



Pamela Grubagh-Littig
Permit Supervisor

Concurrence: I concur with the determination made by the Utah Division of Oil, Gas and Mining that the proposed Skyline Mine Exploration Drill Hole Project would not have an adverse effect on historic properties.

Date: _____

Matthew Seddon: _____
Cultural Resources Coordinator, Division of State History